THE VALUATION TRIBUNAL FOR ENGLAND

2017 rating list appeal; factory and premises; tone of the valuation list; end allowances; mixed age of units; divided units; layout; appeal dismissed.

RE: Graphic House and Iceni House and 9-10 Telford Way, Colchester, Essex, CO4 9QP ("the subject property")

APPEAL NUMBER: CHG100352282

BETWEEN:	CPI Card Group UK Limited (Represented by Altus Group)	Appellant
	and	
	Jo Moore (Valuation Officer)	Respondent

PANEL: Ms C Caiquo (Senior Member)
Mrs F E R Duggan

CLERK: Mrs A Sloan

HEARING: Remote hearing No.1 on 7 November 2022

APPEARANCES: Mr M Clayton of Altus Group (Advocate for the Appellant)
Mr S Cyrille of Altus Group (Expert Witness for the Appellant)
Mr L Stevens (Respondent's representative)

Summary of decision

1. Appeal dismissed. The panel made no change to the entry in the rating list.

Introduction

2. This appeal was lodged to challenge the Valuation Officer's (VO) decision notice of 24 January 2022 refusing to reduce the Rateable Value (RV) in the 2017 rating list. The compiled list entry was £172,000 RV from 1 April 2017, based on a main space price of £45/m^2. The appellant sought a reduction to £146,000 RV, including allowances for the mixed age, layout and divided units.

3. This is not intended to be an exhaustive record of the proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel when coming to its decision. Consequently, the absence of a reference to any statement, or item of evidence, should not be construed as it having been overlooked

Issue

4. The issue before the panel was the accuracy of the entry shown in the rating list.

Evidence and submissions

5. Mr Stevens was acting in a dual role as both advocate and expert witness for the respondent. Mr Clayton stated that he was appearing as advocate for the appellant in these proceedings and his colleague, Mr Cyrille, was the expert witness. He confirmed that Altus was appointed on a contingency fee basis but declared that they understood and accepted that their duty was to the Tribunal in giving evidence and they would comply with this as well as the requirements of their professional body regardless of whether or not the evidence supported the appellant's case.

6. The panel accepted the expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is allowable due to the Tribunal's rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters at issue before it.
7. The panel was supplied with the evidence exchanged following the proposal to alter the valuation list and the VO's decision notice concluding the challenge discussions. Mr Stevens asked the panel to dismiss the appeal and confirm the existing RV. Mr Clayton asked the panel to reduce the valuation to £146,000 RV from 1 April 2017.

Decision and reasons

8. The subject property is an assessment covering four individually constructed units occupied by the appellant company. Mr Clayton stated that the site was comprised of units of varying ages and was fragmented. With reference to aerial photographs, he explained that there was little connectivity between the units and the layout was a disadvantage when compared with a single open plan unit of similar size. He contended that there should be a total end allowance of 15% in the valuation to reflect these issues (5% for mixed age, 5% for divided units and 5% for layout).

9. Mr Cyrille referred the panel to examples of other assessments where allowances had been given for similar disabilities. He asked the panel to reduce the subject property's RV to £146,000 from 1 April 2017.

10. Mr Stevens highlighted that the original challenge proposal stated that the main space price of £45/m^2 was excessive and not supported by the valuations and agreements on other assessments in the same scheme. A new valuation was proposed based on £35/m^2. However, in reply to the VO's response to the proposal, a representative of Altus stated that he was prepared to concede on the tone at £45/m^2 but sought the 15% end allowance to

reflect the site's disabilities. At the hearing, neither Mr Clayton nor Mr Cyrille addressed the issue of tone but sought a revised RV of £146,000 based on the end allowances.

11. In view of the fact that the parties appeared to be in agreement on the main space price, and therefore the tone of the list, the panel concentrated on the appellant's contention for a 15% allowance in the valuation to reflect the site's disadvantages.

12. The panel noted from the evidence bundle that an email from the VOA's case worker was sent on 10 January 2022. This email highlighted that earlier proposals made by Altus in respect of this assessment in the 2005 and 2010 rating lists had not sought allowances for the issues raised. The email also questioned why an allowance should be made for mixed age when the VO's records stated the units were all built in the 1980s. A request was made for plans of the units and their layout.

13. When questioned by Mr Stevens, Mr Cyrille was unable to provide any detail on the ages of the units as he stated the site was merged before the 2017 list was compiled. He stated that it was clear from the aerial photographs that the units were not built at the same time. Mr Stevens stated at the hearing that his records showed that Graphic House and Iceni House were constructed in 1983 and refurbished in 1990. Units 9-10 Telford Way were constructed in 1984.

14. While the evidence bundle contained an aerial photograph of the site, there was only one other image of Graphic House. There were no photographs showing the other units or the site from ground level to illustrate the issues with layout and interconnectivity mentioned by Mr Cyrille and Mr Clayton. Despite the VO's request, no plan of the site has been provided and there were no internal photographs to demonstrate the dividing walls and the relationship between the different units. Under questioning, Mr Cyrille stated that there were lots of internal walls and the site was not open plan, which would be more desirable to the hypothetical tenant coming fresh to the scene. He referred to the example of nearby 3 Clough Road, which had a 5% reduction for having a split site, and stated that the subject property was more fragmented.

15. The panel noted that the comparable assessments referenced by Altus covered a wide area from Colchester to Manningtree and Suffolk. Each of the assessments had an allowance for either a divided site or mixed age units and only one, Edme Ltd in Manningtree, had a 15.8% allowance for the same three issues raised in this appeal. The panel had been provided with aerial photographs of each of these sites but no detail on which to compare with the subject property.

16. After considering the evidence from both parties, the panel was not persuaded that the appellant's case had been made for a reduction in RV. It was satisfied from Mr Stevens' submission that the units comprising the subject property were of similar age and therefore no allowance was warranted for mixed age units. Insufficient information had been provided to demonstrate how the site was disadvantaged by its layout or having divided units. It was clear that the units had been built as separate buildings but there was no evidence before the panel to illustrate how the units connected or were used by the appellant company and whether any disability was severe enough to justify a reduction in the valuation. Mr Stevens contended that the main space price of £45/m^2 already reflected any disadvantages and the panel concluded it had insufficient evidence to warrant a reduction.

17. The burden of proof in this appeal lay with the appellant's representatives to demonstrate that the existing valuation was wrong. After considering all the evidence presented, the panel was satisfied that the valuation of £172,000 RV from 1 April 2017 was reasonable and the appeal was therefore dismissed.

Date: 15 November 2022
Appeal number: CHG100352282

Appeal Rights

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.